

FISCAL NOTE

Bill #: SB0446

Title: Providing for formation and operation of family councils in nursing homes

Primary Sponsor: Schmidt, T.

Status: As Introduced

Sponsor signature

Date

David Ewer, Budget Director

Date

Fiscal Summary

	<u>FY 2006</u> <u>Difference</u>	<u>FY 2007</u> <u>Difference</u>
Expenditures:		
General Fund	\$42,564	\$39,568
State Special Revenue	\$228	\$228
Federal Special Revenue	\$1,956	\$1,956
Revenue:		
General Fund	\$0	\$0
Net Impact on General Fund Balance:	(\$42,564)	(\$39,568)

☐ Significant Local Gov. Impact

☐ Technical Concerns

☐ Included in the Executive Budget

☐ Significant Long-Term Impacts

☐ Dedicated Revenue Form Attached

☒ Needs to be included in HB 2

Fiscal Analysis

ASSUMPTIONS:

Director's Office:

1. This legislation requires that administrative rules be written regarding the establishment of family councils in nursing homes.
2. The Department of Public Health and Human Services (DPHHS) will contract with the Department of Justice to develop and write these rules. The Department of Justice charges \$75 per hour for legal services.
3. It is estimated that it will take 50 hours to develop and write the administrative rules associated with this legislation for a total cost of \$3,750 (\$75 x 50 hours).
4. Proposed and adopted rules will be published by the Secretary of State in the Administrative Rules of Montana (ARM). The Secretary of State charges \$40 per page for printing in ARM.
5. It is estimated that rule changes associated with this legislation will be approximately 20 pages. Total estimated cost for printing of rules related to this legislation is \$800 (\$40 x 20 pages).
6. Director's Office, Legal Services Bureau is funded with 52 percent general fund, 5 percent state special revenue and 43 percent federal funds.

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Quality Assurance Division:

7. Long-term care facility as defined at 50-5-101, MCA includes in Montana: 100 nursing facilities, 167 assisted living facilities, and one intermediate care facility for the mentally retarded. Nursing facilities and the intermediate care facility for the mentally retarded are already required to offer resident / family councils under the federal requirements for participation in Medicare and Medicaid. There is currently no requirement that an assisted living facility have a resident / family council.
8. The Quality Assurance Division (QAD) of DPHHS is responsible for review, survey and inspection of nursing facilities.
9. This bill expands the federal definition of resident / family councils, requiring each nursing facility to be surveyed under the state statutes in addition to the federal requirements. The additional survey time is estimated at 0.50 hours per facility per year. This equates to approximately 50.5 hours for nursing facility review per year (0.50 hours x 101 facilities = 50.5).
10. It is estimated that the QAD will receive 30 complaints from resident / family councils related to nursing facilities. It is estimated that these complaints will take 20 hours each to investigate and write-up, including travel time. It is estimated that this will result in 600 hours of complaint investigation time (20 hours per complaint x 30 complaints = 600 hours).
11. There is currently no requirement for assisted living facilities to offer resident / family councils. Assisted living facilities are licensed every one to three years. It is estimated that QAD will be required to survey 70 facilities per year for this provision in this bill. It is further estimated that this survey will take one hour to complete for a total of 70 hours per year for this survey (70 facilities x 1 hour = 70 hours).
12. It is estimated that QAD will receive 20 complaints from resident / family councils related to assisted living facilities. It is estimated that these complaints will take 20 hours each to investigate and write-up, including travel time. It is estimated that this will result in 400 hours of complaint investigation time (20 hours per complaint x 20 complaints = 400 hours).
13. It is estimated that 13 resident / family councils will not be satisfied with the results of the department's investigations or the facility's response and will request a fair hearing per Section 6 of this bill. It is estimated that each fair hearing review will require eight hours of fair hearings' staff time for a total of 104 hours per year (13 reviews x 8 hours per review = 104 hours).
14. It is estimated that each review will require eight hours of surveyor staff time for a total of 104 hours staff time (13 reviews x 8 hours per review = 104).
15. Rules must be developed in the first year to implement the programs. It is estimated that 80 hours of QAD staff time will be required to assist in rule development in FY 2006.
16. Total staff time required under this bill for a surveyor is estimated to be 1,305 hours. Total estimated time for a hearings officer is estimated to be 104 hours. It is estimated that total staff time will require 0.50 FTE for a grade 16 surveyor. Staff time above 1,040 hours and hearings officer time will be absorbed by the division.
17. Salary and benefits for 1.00 FTE grade 16 is \$45,404 per year. Total personal services are estimated to be \$22,702.
 - a. 0.50 grade 16 - $\$45,404 \times .5 = \$22,702$
18. Duties for the 0.50 grade 16 surveyor will require travel to survey the facilities. Travel costs are estimated to be \$10,000 per year.
19. Operating expenses for this position are estimated to be \$7,496 in FY 2006 and \$4,500 in FY 2007. Operating expenses include new employee computer and office packages, rent, supplies, and phone for the 0.50 FTE.
 - a. New Employee Package - $\$1,793 \times 1 = \$1,793$ FY 2006 only
 - b. New Employee Computer - $\$1,203 \times 1 = \$1,203$ FY 2006 only

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c. Rent, Supplies, Phone - \$4,500 x 1 = \$4,500 FY 2006 and FY 2007

20. All activities performed will be financed with 100 percent general fund; no federal match is available.

FISCAL IMPACT:

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Director's Office:		
<u>Expenditures:</u>		
Operating Expenses	\$4,550	\$4,550
<u>Funding of Expenditures:</u>		
General Fund (01)	\$2,366	\$2,366
State Special Revenue (02)	\$228	\$228
Federal Special Revenue (03)	<u>\$1,956</u>	<u>\$1,956</u>
TOTAL	\$4,550	\$4,550
Quality Assurance Division:		
FTE	0.50	0.50
<u>Expenditures:</u>		
Personal Services	\$22,702	\$22,702
Operating Expenses	<u>\$17,496</u>	<u>\$14,500</u>
TOTAL	\$40,198	\$37,202
<u>Funding of Expenditures:</u>		
General Fund (01)	\$40,198	\$37,202
	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Total All Divisions:		
FTE	0.50	0.50
<u>Expenditures:</u>		
Personal Services	\$22,702	\$22,702
Operating Expenses	<u>22,046</u>	<u>19,050</u>
TOTAL	\$44,748	\$41,752
<u>Funding of Expenditures:</u>		
General Fund (01)	\$42,564	\$39,568
State Special Revenue (02)	\$228	\$228
Federal Special Revenue (03)	<u>\$1,956</u>	<u>\$1,956</u>
TOTAL	\$44,748	\$41,752
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	(\$42,564)	(\$39,568)
State Special Revenue (02)	(\$228)	(\$228)
Federal Special Revenue (03)	(\$1,956)	(\$1,956)